

## Environmental Finance Center Network

### EXECUTIVE SUMMARY

This Executive Summary of the annual report highlights the major accomplishments of the Environmental Finance Center (EFC) Network through 2000. The Network is a university-based technical assistance program offering financial outreach services to communities and local governments and the small business community on the how to pay issues of compliance with environmental standards.

The EFCs came together in 2000 to form a national association to foster greater collaboration and project opportunities and to clarify the role of the Environmental Finance Centers as a network. As part of that effort, they are developing a national work plan for the EFC program that concentrates on the services planned for that year throughout each EFCs respective region. Based on this plan, annual funding provided to each EFC will concentrate on supporting the program services planned for that year.

The first EFC was established in 1992 by EPA's Environmental Finance Program, which has since helped establish the other Centers in federal regions throughout the United States, forming a national Network of EFCs. The EFC Network, in the order of their establishment, includes the University of New Mexico (Region 6 - 1992), the University of Maryland (Region 3 - 1993), Syracuse University (Region 2 - 1993), California State University at Hayward (Region 9 - 1994), Cleveland State University (Region 5 - 1995), Boise State University (Region 10 - 1995), the University of North Carolina at Chapel Hill (Region 4 - 1999), and the University of Louisville (Region 4 - 1999). In early 2000, Region 1 added the University of Southern Maine to the EFC Network.

Located in the Office of the Comptroller, the EPA's Environmental Finance Program works with the EFC Network to set priorities and coordinate and plan activities. The financial outreach services of the Network focuses on identifying ways of building the state and local financial capacity necessary to carry out environmental programs and help create sustainable environmental systems in the public and private sectors as well as increasing private sector investment in environmental systems.

Each year since 1995 the Network has produced an annual report that documents the activities and the results achieved by the EFCs. The annual reports, posted on EPA's Environmental Finance Program web site at <http://www.epa.gov/ocfo/> or <http://www.epa.gov/efinpage/>, have become a highly effective means of communicating all aspects of the how to pay issues confronting the regulated community.



## New England Environmental Finance Center at the University of Southern Maine - Region 1

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### Executive Summary

The focus of the New England EFC (NE/EFC) at the University of Southern Maine is the emerging importance of innovative approaches to land conservation, habitat preservation, and growth guidance that moves beyond public regulation to include financial incentives and partnerships between the public, non-profit, and private sectors.

The NE/EFC explored how it might best address the environmental needs in the region through interviews with organizations active in statewide and regional conservation efforts. Part of that process was a charrette on alternative wastewater treatment finance conducted jointly (with the Region III EFC) in the Hyannis Park section of Yarmouth, MA in September 2000. One application for what was learned during the charrette is in the “smart growth” arena. Traditionally, private conservation investments and town responsibilities for allocating land and infrastructure for growth and open space have been disconnected organizationally and have not worked well on developing common goals. This effort, however, showed that successful smart growth can also be “smart economically” by integrating development and environmental conservation needs with quality of life needs and not by divorcing them, as has been the historical practice in many, if not most places.

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The NE/EFC is aimed at capacity-building of the Center over the long term. Capacity building goals include developing the knowledge base and network of collaborators for region-wide strategic land conservation innovations at the local level, such as stormwater, watershed, and brownfields management. In this context, the NE/EFC’s initial work agenda for its first two years will focus on conducting a series of workshops throughout the region to develop new approaches to strategic land conservation, followed by a New England-wide conference to promulgate findings from the workshops.

The other primary focus in 2001 will be to develop a regional inventory of conservation lands in New England from existing sources of protected conservation lands. This will help present the economic costs and benefits of land protection from a valid data base.



## Syracuse University Environmental Finance Center - Region 2

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### Executive Summary

Among the Syracuse EFC's primary activities in 2000 was planning, developing and implementing: 1) the Public Management and Finance Program, a project conceived to impart valuable training in environmental finance to local government representatives; and 2) the International Environmental Finance Technical Assistance Program, a project supported by the EPA Office of International Activities for the purpose of developing environmental finance training for other countries.

The EFC continued to participate in collaborative relationships with other government-supported programs, public agencies, institutions of higher learning, and environmental technical service providers. These relationships have continuously fostered new and exciting opportunities for the EFC to enhance its strength and capacity to deliver much needed services to local governments. For example, the Center used an EPA supported windows®-based computer software program known as RateMod Pro software to assist communities in setting financially responsible water and wastewater rates.

Aside from the cooperative efforts with other organizations, EFC 2 reaped great rewards in 2000 from collaborative activities with EFCs located in the other EPA regions. Among these activities was an analysis of water and wastewater funding programs in Vermont, discussions about construction debris recycling programs being initiated at two EFCs, planning the implementation of a source water protection project, and presenting the resources of the EFC Network to the Public Management and Finance Program in New York. Such activity has resulted in heightened awareness of the multiple resources and areas of expertise available throughout the EFC Network.

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One of the primary values of the EFC is its ability to leverage a wide range of expertise. For example, Syracuse University faculty and students continue to play a key role in specific EFC projects. In 2000, six MPA students from the prestigious public administration program of the Maxwell School dedicated three intense weeks to researching the quality of environment-related technical assistance available to rural communities of New York State. A separate group of five students then examined data of subprime lending in neighborhood communities for relationships to environmental justice issues. The entire effort was sponsored by the Rural Development Council.



## University of Maryland Environmental Finance Center - Region 3

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### Executive Summary

The Environmental Finance Center (EFC) at the University of Maryland focuses primarily on the Chesapeake Bay watershed, a sprawling 64,000 square mile area that encompasses much of the region. The problems found in the bay watershed, from sewage treatment to agricultural runoff to suburban sprawl, represent the very issues faced by communities in the region and addressed by the EFC.

Year 2000 accomplishments included technical assistance to communities within the Chesapeake Bay watershed on stormwater runoff, failing septic systems, creation of a sustainable greenway to preserve a river corridor and surrounding communities, helping to develop a “green infrastructure” course, assisting in community development of a comprehensive plan to protect against unplanned growth, serving on the state level nutrient cap strategy workgroup, and working with the Governor’s Task Force to develop oil spill prevention strategies. In addition, the Maryland EFC held two charrettes with communities eager to incorporate “green” methods into their infrastructure planning.

Rate design training is one of the EFC’s financing tools to support management of water resources. Because utility rates offer a primary mechanism for capturing most of the costs of operating and maintaining water and waste water systems and ensuring that they are self-supporting, the EFC held several rate design workshops for elected officials, utility operators, engineers and others interested in the concepts and technicalities of good financial management.

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The Maryland EFC was also involved in collaborative efforts with other EFCs in the national Network to assist with workshops and charrettes on such high priority issues as: funding wastewater treatment; identifying watershed-based financing techniques; conducting four charrettes on guiding growth through examination of the long-term sustainability of urban areas and their relationship to regional patterns of development; and assisting the network effort for EPA’s Office of Ground Water and Drinking Water on unified source water protection. The EFC developed a training workshop to promote better understanding of watershed-based financing techniques. During the year, the EFC conducted these workshops around the country in conjunction with Clean Water Action Roundtables and is

planning to make this model available nationally.



University of North Carolina at Chapel Hill  
Environmental Finance Center (efc@unc) - Region 4

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## Executive Summary

The mission of the Environmental Finance Center at UNC-Chapel Hill (efc@unc) is to provide a bridge between students and faculty in the university who work principally on developing environmental financing, management and planning tools, and the governments and businesses whose job it is to use those tools for the public interest. Towards these ends, the efc@unc took on and completed several significant projects in 2000 and set its agenda for further work in 2001.

Among the EFC's accomplishments in year 2000 was the Million Acres Initiative, an open space preservation effort to conserve land for open space, farmland preservation, riparian buffers and other conservation purposes. The EFC conducted stakeholder workshops to help draft the plan to protect permanently an additional one million acres of open space within the next ten years. One of the near-term

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recommendations made by the Plan was to work with the [efc@unc](#) to conduct a study of the financial needs for meeting the million acre goal and potential revenue sources for funding those needs.

Other EFC projects included developing an environmental finance course for professionals involved in the planning, delivery, regulation, or financing of environmental infrastructure services. This course will be available for delivery by Environmental Finance Centers throughout the Network. It is one of the cornerstones of the national Environmental Finance Program. Also in 2000, the [efc@unc](#) partnered with the Southeast Consortium of University-based Public Service Organizations (SCUPSO) to stimulate inter-campus discussion of growth management issues in the Southeast. The [efc@unc](#) agreed to produce a series of "toolkits" that encapsulate smart growth tools as they might be applied by local governments in the southeast.

The EFC's collaborative activities include source water protection, which is an EFC Network project. Each participating center is taking a somewhat different approach (organized around a common procedural core) so that, in the end, EPA will have a rich set of examples to draw on for lessons about source water protection planning in multi-jurisdictional settings. The efc@unc also participated in environmental conferences focusing on brownfields, financing for environmental non-profits, stormwater

regulation, financing watershed improvements, and local environmental responsibilities and opportunities for newly elected municipal officials.



## Executive Summary

The Region 4 Environmental Finance Center at the University of Louisville (EFC4@UL) has undertaken to provide tools for “training the trainers,” building on the research and education strengths it can claim as a University-based provider of support services. The EFC launched a series of environmental finance *Policy Guides* to educate local government decision-makers and other parties about the environmental policy choices they face and some of the monetary and non-monetary economic consequences of their decisions. In addition, the EFC conducts background research on these Guides (and the Instructor’s Manuals that accompany them) to identify available policy options and experiences with their impacts, and to provide a roadmap for decision makers.

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Some of the EFC’s core projects and activities in year 2000 included preparation of local *Environmental Policy Guides* for use in training local officials, staff, and other decision-makers. Other projects include evaluating growth policies that affect urban land uses, practical assistance to state and local governments in the area of brownfield redevelopment, and support for water utilities’ financial capacity using a version of a rate-setting software program, Ratemod Pro. Also, the Louisville EFC participated in numerous region-wide conferences on brownfields redevelopment, and a conference on environmental issues surrounding military base-closings.

New initiatives include expanding the *Policy Guide* series to include issues on recycling construction debris, asset valuation for small water systems, small scale water and wastewater financial capacity, and training and technical support for brownfields redevelopment. The EFC will not only complete the *Policy Guides* in process, but also develop new Guides for trainers to use in providing information and support for local officials and others implementing environmental practices in the field. In the coming year the EFC will continue its focus on providing the tools for trainers to conduct training in the field consistent with the EFC Network Plan. Also will continue to explore other specific areas as part of the network-wide planning process to expand the set of Policy Guides with Instructors’ manuals.





**Cleveland State University**  
**Great Lakes Environmental Finance Center - Region 5**

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## **Executive Summary**

The Region 5 Environmental Finance Center in the Maxine Goodman Levin College of Urban Affairs at Cleveland State University assists communities in the Great Lakes states of Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin in developing innovative, cost-effective strategies for environmental improvement and sustainable economic development. Known as the Great Lakes Environmental Finance Center (GLEFC), the GLEFC draws upon Urban Center staff experts and college faculty members in the fields of economic development, environmental planning, public administration, and public management and finance.

Significant achievements in year 2000 focused on brownfields, sustainable urban environments, and working with the tribes in Region 5. Continuing their work with brownfields, the GLEFC conducted an assessment of the effectiveness of the Brownfields Revolving Loan Fund in all six states in Region 5. Use of the fund had been stagnant and Region 5 sought to identify the major barriers to utilizing the loan fund, as

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well as to stimulate and encourage use of the fund by the Region's recipients. Other brownfields work included initiating a strategic planning process for the Brownfields One-Stop-Shop (BOSS) Task Force, consisting of 14 Federal agencies with a role in brownfield remediation. In the same field of operation, the GLEFC assisted the State of Ohio and the Federal Banking community in the planning of a brownfields conference to address innovative practices and policies in remediating brownfields. Working with the State of Ohio, the GLEFC helped develop a strategy and structure for a bond financed brownfield grant and loan fund program. In addition, the GLEFC participated in a state-wide forum convened by Ohio to discuss opportunities in the finance and redevelopment of brownfields.

As part of the EFC Network's collaborative activities, the GLEFC worked with the Maryland EFC (Region 3) to conduct an Ohio Charrette on sustainable urban environments, facilitated by Dr Jack Greer, Director of the Environmental Finance Center at the University of Maryland.

Working with the Native American community, the GLEFC concluded a unique 3-year project to provide the 35 Federally-recognized Indian tribes in Michigan, Wisconsin, and Minnesota with training and technical assistance services in the areas of ecological design, sustainable economic development, comprehensive community planning, and alternative energy development.



## University of New Mexico Environmental Finance Center - Region 6

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### Executive Summary

The University of New Mexico Environmental Finance Center (UNM EFC), the oldest established EFC, works with state, local, and tribal governments to help them achieve regulatory compliance and environmental infrastructure needs through state and local capacity building. As part of its activities this past year, the UNM EFC completed numerous projects within all five states in Region 6, in addition to collaborative efforts with EFCs in Regions 1, 2, 5, 8, and 9.

Accomplishments for year 2000 include assisting with the completion and implementation of drinking water capacity development strategies for Region 6 States, as well as capacity development for States

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The New Mexico EFC...assisted with the completion and implementation of drinking water capacity development strategies for Region 6 States, as well as capacity development for States outside of Region 6...

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outside of Region 6. The latter was done collaboratively with the Environmental Finance Center at Boise State University in Region 10. The EFC was also involved with capacity development for tribal water systems to help tribes improve capacity deficiencies, and international work with Nizhnii Tagil, Russia on capacity development for their water system.

Other activities included: providing assistance to New Mexico SRF applicants to bring the State Revolving Loan Fund (SRF) process to small and medium-sized communities in New Mexico; employing the infrastructure Capital Improvement Plan (ICIP) cost estimation guide to help cities and counties in New Mexico provide five year capital improvement plans; working on the Texas Water System study for the Texas Natural Resource Conservation Commission; and assisting Mora County, New Mexico with the unified source water protection pilot project for New Mexico communities that face water contamination threats.

In collaboration with with other EFCs, The UNM EFC assisted with the sustainable urban environments charrette to explore the opportunities to turn negative environmental problems into positive community assets; worked on a project to restore ecological balance in native American communities through comprehensive community planning, sustainable development, and ecological design; assisted with the analysis of water and wastewater funding sources and structures in Vermont in collaboration with the

Syracuse EFC; and participated on a statewide team to assist state and local governments in developing Geographic Information Systems (GIS) programs.



**California State University, Hayward  
Environmental Finance Center - Region 9**

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**Executive Summary**

The EFC at California State University, Hayward (EFC9) is a university-based Center working for greener communities through cleaner business by promoting pollution prevention and source reduction. To that end, EFC9 uses numerous tools including project management, policy facilitation, workshops, focus groups, meetings, charrettes, publications and reports, and hands-on assistance to smaller environmental businesses. These tools help the EFC accomplish its four-pronged mission by 1) helping entrepreneurs develop and finance new and innovative environmental technologies, 2) encouraging small business to adopt source reduction and pollution prevention in the manufacturing processes, 3) educating and encouraging consumers to choose green business and green business products, and 4) helping federal, state and local governments establish the necessary tools to foster cleaner business.

During the past year EFC9 completed a number of initiatives working with both the private and public sectors. Examples of these projects, which mainly affect small business, include EFC9 forming a partnership with the area's green business

EFC9 is working to get professional wetcleaning posters placed in the background of various movie and television shots.

programs, the Department of Toxic Substances Control, and the Integrated Waste Management Board to examine the barriers and incentives to printers' participation in the Bay Area Green Business Program. A continuing project for EFC9 is the work on the Access to Capital EnviroLoan Program, a pollution prevention loan program for metal finishers, to consolidate the process and promote the project in Southern California. In addition, the EFC moved forward with its emphasis on wet cleaning by promoting the Vocational Wet Cleaning Training Program being established at the Soledad State Correctional Facility and distributing and tracking the success of the Pocket Guide to Bay Area Wet Cleaners. To assist small business in their pollution prevention efforts, EFC9 updated and improved its *Small Environmental Business Assistance Program* website by converting its Environmental Finance Directory to an online database.

EFC9 will be taking on new initiatives as well as building on the work they have already accomplished. Some creative examples of the projects planned for 2001 are promoting wetcleaning to the film and television industry for wardrobe and set maintenance in order to publicize the benefits of professional wetcleaning. Another entertainment industry project is with product placement firms who get products visibly placed in films. EFC9 is working to get professional wetcleaning posters placed in the background of various movie and television shots.



## Boise State University Environmental Finance Center - Region 10

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### Executive Summary

The Environmental Finance Center (EFC) at Boise State University serves the communities in Region 10 consisting of the Pacific Northwest and Intermountain states of Alaska, Idaho, Oregon and Washington. The mission of the EFC is to help communities with the "how to pay" issues of environmental protection, with particular emphasis on designing and testing drinking water system capacity assessment methodologies, as well as addressing the needs of public water systems and wastewater systems to improve financial and managerial capacity.

During the past year, the EFC conducted utility rate design workshops and presentations in the majority of Region 10 states. Expertise in financial management characteristics led to a solicitation to provide assistance to the Finance Committee of the Pacific

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Northwest Section of the American Water Works Association regarding water and system financial practices of members. In addition, the EFC assisted state drinking water programs in Alaska, Idaho, Oregon, Kansas, Iowa, Maine and Missouri in meeting the August 6, 2000, deadline for capacity development strategy implementation required by the Safe Drinking Water Act Amendments.

The EFC completed three watershed training workshops, and convened a watershed roundtable forum to develop and improve the dialogue between federal, state and non-government organizations that fund watershed protection and restoration activities. As part of its work with the States, the EFC responded to a request from Idaho's DEQ to facilitate the negotiated rule making process for incorporating nonpoint source projects into Idaho's Clean Water State Revolving Fund (SRF). Also requesting help with its SRF, the Oregon DEQ called on the EFC to provide research and policy analysis for extending the Oregon Clean Water State Revolving Fund to allow participation from nonpoint source projects.

Building on past accomplishments, the EFC will collaborate with other EFCs at the universities of New Mexico, North Carolina, Syracuse and Maryland on the source water protection project with EPA, as well as further its activities with the EFC at the University of Maryland on watershed protection and watershed funding efforts. In addition, the EFC will continue conducting utility rate setting training throughout the Network and also work within the Network on development and distribution of CAPFinance™, a program to help small utilities assess their capital facilities and, on the basis of that assessment, prepare multi-year financing plans.